

**Remarks of
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to the
TOLEDO TRANSPORTATION CLUB
ANNUAL ELECTION DINNER
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Introduction

On behalf of President Bush and Transportation Secretary Norman Mineta, thank you for the opportunity to speak here tonight.

I want to congratulate all of you on the very special occasion of your centennial anniversary. I am glad to share in your celebration. You have much reason to be proud as transportation professionals. And I want to say congratulations in advance also to the Transportation Professional of the Year, the scholarship recipients, and the new Toledo Transportation Club officers, all of whom will be honored later tonight.

Our Administrator at the Federal Motor Carrier Safety Administration, Annette Sandberg, extends her congratulations. Some of you may have had the opportunity to meet her when she addressed the Women's Information Network at Owens Corning right here in Toledo just last month. She enjoyed the hospitality extended to her, just as I appreciate your warm welcome.

This is an exciting time for anyone involved in transportation, as the numbers of freight shipments – both in tonnage and revenue – continue to rise. Transportation, which has always contributed tremendously to our society, has taken an increasingly important role over the years.

Historical Perspective

People today don't think twice about the availability of goods – they sometimes take for granted the process of *how* the items they want arrive to them. They just know that what they want *can* and *does* get to them.

And that's good. Our lives are made easier because there are few barriers in acquiring goods. Even a simple trip to buy groceries can demonstrate that.

Be they bananas from Brazil or peaches from Georgia, the items that people in this country want they generally can get, regardless of their origin or whether or not the produce is "in season." Add to this all the online purchases – as we say, "Click a mouse, dispatch a truck" -- and the numbers really begin to add up.

This is a far cry from the "ancient" days – actually not so long ago – when distance and location greatly impacted the availability of goods. Today consumer and industrial

goods are transported through modes working together to form efficient delivery systems.

But not long ago people and business dependent on transportation needed to be located at a seaport to receive goods efficiently. Today, we have interconnected transportation systems, from highway to pipeline to rail to inland waterway, that give people and businesses the freedom to live, work and play wherever they want – and still receive the goods and services they need.

Transportation makes this happen. America and the world are better off because of the work that you do. You deliver more than goods. You deliver freedom.

A key player in the transportation revolution is your own state. Ohio has always been at the forefront of transportation. One of the earliest advances in domestic transportation came in 1803 when Congress provided the new state of Ohio with five percent of proceeds from public land sales for use in the construction of roads.

Ohio was also one of the first states to create turnpikes in the early 1800s. And of course, Ohio was the leader in canal construction in this region, what was once called the “Old Northwest,” with 813 miles completed by 1846.

One place where Ohio’s transportation triumphs were obvious was right here in Toledo. Toledo has a rich transportation history. Your geographic location and experience with all transportation modes over the last century have made this an important hub in the American economy throughout the last century.

By the year 1900, streetcars were prevalent and shipbuilding had become the largest industry in Toledo. By 1918, Willys-Overland, at that time the largest automobile factory in the world, employed as many as 15,000 people here. And in the 1920s, automobile manufacturing dominated the city’s economy.

The 1940s, 50s and 60s saw the creation of a new Union Station, an express highway system, and the first port authority in the state of Ohio, your own Toledo-Lucas County Port Authority.

Today Toledo is a premier international transportation center featuring a world cargo hub, a full service airport, two of the nation’s transcontinental highways, and Ohio’s busiest passenger rail terminal. Your Toledo Express Airport was recently named one of the five best small airports in the Midwest by Forbes.com.

Your city has taken some big steps in transportation, the most recent of which is, of course, the Maumee River Crossing Project. This amazing project, the biggest undertaking in the history of the Ohio DOT, will reap big rewards for everyone.

More than that, the new bridge will help move goods into and through Toledo, strengthening the local economy. The U.S. DOT is proud to contribute approximately 60% of the funding for the Maumee River Crossing Project.

Booming Business

The freight that moves through here provides consumers with more freedom and more choices today. Transportation has become a more *visible* contributor to the economy. Altogether, our national transportation system annually carries more than 16.3 billion tons of freight — valued at over \$12 trillion. It shows just how much keeping our economy moving depends on keeping AMERICA moving.

You are also keeping international trade moving. U.S. – Canada surface transportation trade totaled \$35.4 billion in February, up 12.7 percent compared to February 2004. Ohio was a great contributor in this – the state was number 4 in the top 10 states trading with Canada by surface mode of transportation.

From your highways to your waterways in the Great Lakes, we're seeing a real boom in this region. At the end of 2004, U.S.-flag tonnage was up approximately 16 percent over last year at the Port of Toledo.

SEA-21, From Land To Water

We know there's more ahead, which is why DOT has launched the SEA-21 initiative, a wide ranging review of maritime policies. Secretary Mineta offered a vision for the future of the nation's transportation system in SEA-21 – the first systematic effort to improve and integrate marine transportation as part of our national, intermodal transportation system.

SEA-21 means strengthened leadership and, with it, an enhanced role for the Maritime Administration as part of the Department's intermodal team. It will focus on leveraging funds from federal, state and local governments, as well as private sector, to address the capital needs of the Maritime Transportation system.

SEA-21 also promotes new marine transportation, such as Short Sea Shipping. As you know, to handle the increasing freight capacity our Country needs every transportation option.

Safety Goals

In transportation, efficiency and safety go hand in hand to contribute to a productive economy. FMCSA is committed to achieving the Department of Transportation's highway safety goal — reducing the fatality rate in all motor vehicle crashes by 41 percent from 1996 to 2008. As part of the overall departmental safety goal, FMCSA's aim is to reduce commercial vehicle crash fatalities to 1.65 fatalities per 100 million miles of truck travel.

DOT is encouraged that the overall fatality rate dropped last year and alcohol-related crashes among all vehicles are down from 2003. Still, 42,800 people died on the

nation's highways in 2004, up slightly from 2003, according to preliminary projections. And nearly 5,000 of those deaths involved commercial vehicles, or CMVs. We know that it's particularly challenging to bring down the fatality rate for motor carriers, because the truck miles traveled are increasing faster than vehicle miles. Traffic crashes put an estimated \$230 billion strain on our economy each year. This clearly shows how improved safety can contribute to the nation's economic growth.

I'd like to share with you now an update on some key initiatives.

SAFETEA And Reauthorization

Our safety goals are particularly important now that Congress is considering reauthorization of our program. The Administration's reauthorization proposal is the Safe, Accountable, Flexible, and Efficient Transportation Equity Act – or SAFETEA.

SAFETEA provides the flexible framework to maintain and grow transportation infrastructure. And it proposes record levels of funding needed to both build our infrastructure and bring down the number of fatalities on the highways.

For FMCSA, SAFETEA promotes strong, targeted law enforcement; efficient data gathering; and effective use of new safety management systems. The Bush Administration's proposal would also provide the first reauthorization to FMCSA as a new agency.

The reauthorization proposals will strengthen our enforcement programs and provide a more complete picture of the safety of motor carrier operations. SAFETEA more than doubles the current funding under which FMCSA operates via TEA-21, the original legislation that has been extended numerous times.

Hours-of-Service

A topic of continued importance, which is also addressed in the reauthorization bill, is hours-of-service. The new hours-of-service rules we issued in April 2003 represent an important advance in CMV safety.

The new rules were based on comprehensive research and reflect the more than 53,000 public comments received on the notice of proposed rulemaking, striking a balance between improving motor carrier safety and providing the flexibility to keep trucks moving. Last July a Federal Court ruled that FMCSA must reconsider the new HOS rule, directing the Agency to better address the new regulations' impact on the health of truck drivers. The Court also expressed concern over other areas of the rule.

Since the Court's decision last year, we have been working to craft a new rule. Congress has given us until September 30 of this year to issue a new rule. We are on track and moving forward with rulemaking, and we *will* have a new rule by September 30. We believe the existing HOS rule provides the appropriate safety that we need on America's highways, and thus we have been expressing that to Congress. So while we

proceed on our own rulemaking, we're running on a parallel track by asking Congress to codify the existing HOS rule.

Placing the current HOS rule in law will end uncertainty among motor carriers, shippers, drivers, and law enforcement. We seek to end regulation by litigation. Our proposal allows for future changes to the HOS rule to enable FMCSA to make any necessary updates as safety data may require.

As I said, we hope that Congress will see the value of the HOS rule and write it into law. But one way or another, as we continue with our rulemaking, we will have a new rule at the end of September.

Intermodal Chassis

Our stakeholders come from all modes of transportation. One area where many transportation modes intersect is intermodal chassis. Because intermodal chassis pass through many hands – marine terminals, truckers, and railroads – disputes can arise between the parties over responsibility for equipment maintenance, liability for damaged chassis, and payment of fines for violations found upon roadside inspections.

Rules on intermodal chassis are of utmost importance because a growing amount of the nation's international and domestic trade now moves in containers, and any safety program should not introduce inefficiencies to that trade. FMCSA is currently developing a proposed rule on intermodal chassis maintenance and repair to ensure that the equipment is in safe and proper operating condition. We expect the rulemaking to be done later this year.

The proposed rule would: identify intermodal chassis responsibility, initiate an audit program to ensure systematic intermodal chassis repair and maintenance, and provide a means for motor carriers and drivers to report unsafe chassis conditions to the equipment provider. In line with DOT policy, the intermodal chassis rule would not involve government in the business relationships of intermodal partners, such as allocation of liability.

In looking at these issues, various industry groups worked closely. Recently, American Trucking Associations, the Association of American Railroads, and the Ocean Carrier Equipment Management Association came to an agreement on intermodal chassis language and how those chassis would be maintained and repaired. They submitted their consensus approach for Congressional consideration.

We've determined the consensus approach is consistent with the principles laid out by DOT in the policy announcement early last year regarding chassis roadability. Whether by rulemaking or by legislation, it appears we are nearing an agreed standard on the repair and maintenance of intermodal chassis.

Hazardous Materials Security

Another area that impacts many of you is hazmat security. This is an issue that is as much about homeland security as it is about safety. As of January 1, 2005, a motor carrier transporting certain types of Hazardous Materials must obtain a Safety Permit from our Agency. This rule was mandated by Congress.

The Hazardous Materials that require a safety permit include certain radioactive, explosive, and toxic materials, as well as large shipments of liquefied natural gases. Hazmat carriers must meet safety and security fitness standards that address their safety rating, security program, and other requirements. Since January, we've already identified a number of carriers that have concerns about these regulations.

We know that new regulations, especially in a subject area like HazMat, could create difficulties for some companies. So we at DOT coordinate among the agencies to reduce complexity and eliminate duplication of regulations, all the while working closely with the regulated industry on compliance. At the end of the day, a safe and secure transportation system is in the interest of us all.

Closing

We realize that it's you, the professionals at the front lines of transportation, who are keeping the American economy moving. As we continue to work together with industry members such as you, we look forward to advances that will benefit everyone involved in transportation.

Thank you again for the opportunity to be here on this very special occasion – I always enjoy a good birthday party! – and best of luck on your next 100 years.